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FOR IMMEDIATE RELEASE

**NEBRASKA COMMISSION SUGGESTS IMPROVEMENTS  
TO FEDERAL UNIVERSAL SERVICE FUND PLAN**

LINCOLN – The Nebraska Public Service Commission has taken steps to protect the interests of Nebraska telecommunications users by suggesting improvements to a federal plan on universal service charges.

The Nebraska Commission, along with its counterparts in Indiana, Montana, Wyoming, Maine and Vermont, filed a proposal that recognizes the steps already taken by some states to reform access charges and, in some cases, establish state universal service funds. The Nebraska Commission contends that states that have already adopted universal service funds would be harmed by the new federal plan. Universal service funds are used to reduce rates charged to access the long distance network and provide monies to offset the high cost of providing service to rural areas. States like Nebraska, which took prompt action to set up universal service funds, would be penalized under the federal plan.

“It’s pretty clear we have taken some pretty dramatic steps in access rate reform and at the same time are addressing the need to provide affordable telephone service in high cost, rural areas,” Boyle said. “The states’ proposal takes this into account.”

The federal plan favored the states that have not tackled the access rate and high cost questions. “Our proposal is an attempt to equalize the impact on consumers across the country,” Boyle said. The proposal submitted by the six states was developed in harmony with industry representatives who largely crafted the original federal plan.

Nebraska adopted its universal service fund in 1999. Boyle said that a key objective of the fund is to ensure that all telecommunications networks interface with each other regardless of the technology utilized and regardless of the type of service.

“It is important to ensure fairness among the carriers, the states and especially to the ratepayers,” Boyle said. The Federal Communications Commission has been considering compensation between carriers for some time.

Before the establishment of the Nebraska Universal Service Fund, local telephone service in the state was heavily subsidized by access charges charged by local telephone companies to long distance service providers for in-state calling. “We have lowered in-state long distance rates from among the highest in the nation to among the lowest. Other states have not followed our lead and continue to draw from the federal fund, placing a greater burden on those who have set an example. It is far past time for states across the nation to be responsible for their fair share of intrastate costs. That is what was envisioned by the 1996 Telecom Act. We are attempting to reform these access rates to recognize the massive technology changes the industry is facing with the evolution to broadband networks and make the transition fair to the consumers,” Boyle said.

The Federal Communications Commission has not indicated when it will rule on the new federal plan.

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